

Pragati

The Indian
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Review

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China values its dispute

ALSO

**Russia and Europe
Engaging West Africa
Moving forward on climate change
Rebuilding the Right
On Afghanistan's opium**

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Contents

PERSPECTIVE

- 2 Contained by China
Nitin Pai
- 3 Shaking up the Continent
Zorawar Daulet Singh
- 4 Moving the Right
Rohit Pradhan
- 6 Beyond Principle
Dweep Chanana

FILTER

- 8 Realism under the rhetoric; Old secrets, but not news; The mango crate way; America will back the Pakistani army; The world's defence expenditure in 2006; Love-hate relationships

IN DEPTH

- 10 Propitious omens: How India is engaging West Africa
Sushant K Singh

ROUNDUP

- 13 Defeating Dorothy's menace
Joshua Foust
- 15 Hard Left
Shashi Shekhar
- 16 Imported thunder
Mihir Shah

BOOKS

- 18 Review: The Year of the Rooster
Chandrabhas Choudhury
- 19 Review: The Reluctant Fundamentalist
Jai Arjun Singh

Cover Photo: India-China border near Nathu La, Sikkim

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The Indian National Interest Review

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Contributing Editors

Nitin Pai
K S Madhu Shankar
Rohit Pradhan
Sandeep Balakrishna

Acknowledgements

Deepsan (Cover Photo)
Prashant Kothari
The Indian Economy Blog
Mint

Contact: pragati@nationalinterest.in

Subscription: <http://www.nationalinterest.in/pragati/>

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FOREIGN POLICY

Contained by China

The border dispute is an intentional thorn in India's side

NITIN PAI

TWO YEARS ago, during Chinese Premier Wen Jiabao's visit to India the two countries agreed on a set of principles that would be used to determine the final settlement of the decades old border dispute. When borders are redrawn, it was agreed, they would not disturb settled populations in either country. But China's position has undergone a sea change since then. Yang Jiechi, China's new foreign minister, recently stated that the mere presence of settled populations does not affect China's territorial claims. Mr Yang's statement confirmed what a series of events—including the Chinese ambassador's remarks last December, its refusal to issue visas to residents of Arunachal Pradesh (thereby implying that they are Chinese nationals) and the lack of progress in the latest round of high-level border talks—suggested: China's negotiating position has hardened. Why and why now?

Well, because China sees the border dispute as an instrument in its policy to contain India. Inscrutable though it might sometimes appear, China's strategy towards India involves a combination of co-operation and containment. It co-operates with India—both bilaterally and in multilateral fora—to the extent that such co-operation is not only mutually beneficial, but also relatively more advantageous to China. So while there is some India-China co-operation in the domain of trade and investment, China is more inclined to compete in the global quest for energy resources despite attempts by India to prevent bidding wars.

Co-operation however, is limited to the extent that it does not adversely affect China's strategy of confining India to the subcontinent. Globalisation and India's transformation into a major regional power are changing the dynamics of containment—while India's larger regional role is taking it to the Eastern Pacific, Central Asia and Africa, China has made significant military and economic inroads in India's immediate neighbourhood. Containment was historically

effected by three instruments—indirectly through the UN Security Council and strategic proxies and directly through the border dispute.

After India's 1998 nuclear tests, the Kargil war and 9/11, China could no longer act through the 'international community' to use nuclear proliferation and the Kashmir issue to press India. But it has enhanced its use of strategic proxies—in addition to its long-time cultivation of Pakistan, it has added Myanmar, Bangladesh, Sri Lanka and Nepal to its list. However, India's strategic partnership with the United States and an emerging quadrilateral 'alliance of democracies' involving Australia and Japan in addition to the two is well-placed to counter these moves.

Hence the need to keep the border dispute alive as a thorn in India's side. That Beijing has managed to settle all its border disputes except the one with India suggests its utility to China more than it exposes 'democratic India's inability to compromise'.

The timing of the hardening of China's position on the border dispute, moreover, is consistent with ongoing regional power alignments. But it has been assisted by presence of a Communist party-supported ruling coalition in New Delhi. The Indian Left, being pro-China (see page 15),

Roads and railways do not always buy affection and China in any case can build them much faster than India can. A far more effective way for India to bring its most distant citizens into the national mainstream would be to empower them through tangible political equality.

will hardly allow the Indian government to take a stronger line against China. Meanwhile, public statements from the UPA government disavow balance-of-power geopolitics. It remains to be seen if these statements actually reflect its foreign policy thinking. It would be unfortunate if this were so, not least because it would be a repetition of Nehru's mistakes in the late 1950s (see page 8). Clearly then, there is an urgent need for India to review the way in which it engages China.

Meanwhile, the Indian government is caught in a reactive mode—building infrastructure in remote border regions in response to China. If done with due care to the environment this is a positive outcome of the rivalry between the two countries. Yet roads and railways do not always buy affection and China in any case can build them much faster than India can. A far more effective way for India to bring its most distant citizens into the national mainstream would be to empower them through tangible political equality. Re-

constituting the Rajya Sabha along the lines of the American Senate—and giving states like Sikkim, Arunachal Pradesh and Nagaland the same number of seats as Uttar Pradesh, Bihar and the rest—will not only be far more effective than big but leaky development programmes but is also more democratic. It is also a move that China cannot match.

Nitin Pai is a contributing editor of Pragati

GEOPOLITICS

Shaking up the Continent

The US-Russia impasse will not lead to another Cold War

ZORAWAR DAULET SINGH

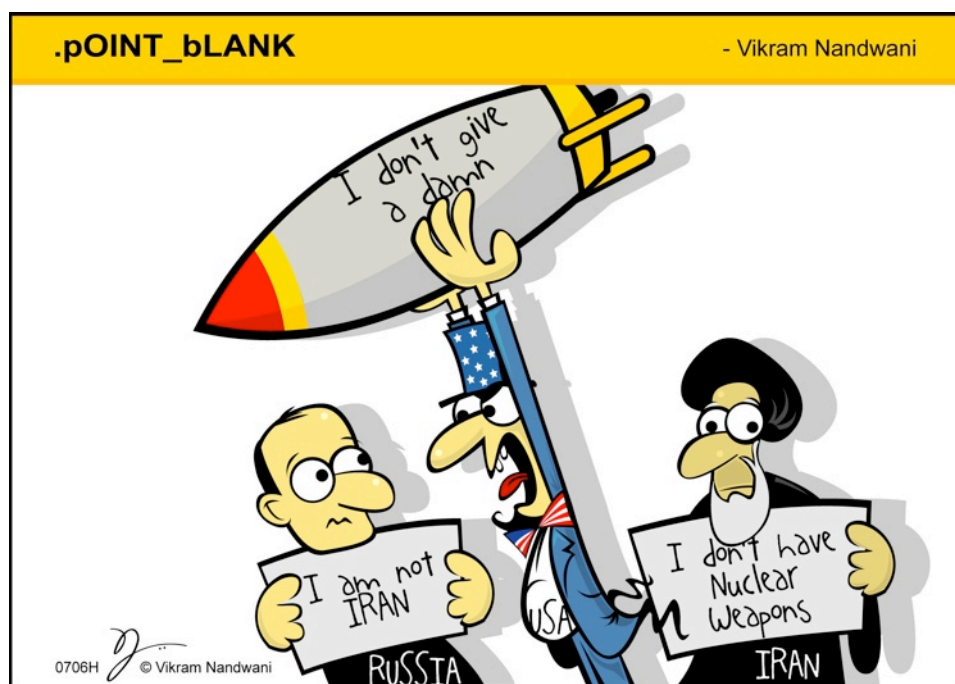
MUCH OF the commentary in the Western media over Russia's aggressive reaction to the placement of American missile defence systems in Poland and the Czech republic revolves around the authoritarian nature of President Vladimir Putin's government.

But it is important to ask why the United States has chosen to advance its agenda over the strategic missile shield in Eastern Europe at this time. The military value of missile defence apparatus in Europe is nil. It is indeed "ludicrous" to presume that the Russian nuclear deterrent will diminish. The two recent missile tests by Moscow—one a multiple-warhead intercontinental ballistic missile and another a short-range stealth cruise missile capable of destroying any future American installation in Eastern Europe—have signalled that Moscow remains committed to, and capable of undermining American ambitions for nuclear primacy. And it is a "joke" that Iranian missiles will—as claimed by Washington—even theoretically threaten Europe in the next decade.

It is the political value that assumes greater significance, and explains the timing of Washington's decision. A disconcerted Washington has over the past year witnessed Moscow draw major EU member states into long-term energy contracts. Russia is thus in a position to drive a wedge into the effectiveness of American diplomacy and leverage

over the EU and NATO. Unwilling to relinquish its Cold War gains and desperate to maintain its place in the hierarchy on the international system, Washington has upped the ante.

Thus, America's motives for advancing the anti-missile systems in Eastern Europe are consistent with its bilateral back-door deals with New Europe to ensure leverage over EU affairs. Indeed, prior to the this year's G8 summit, Mr Putin speculated that the American rationale for installing



missiles in Eastern Europe may well be “to prevent a further rapprochement between Russia and Europe”.

Russian foreign policy, particularly the evolution of its western vector, has over the last few years relied primarily on enhancing linkages with *Mittel Europa*, and especially with Germany, which under former Chancellor Gerhard Schroeder set in motion an *Ostpolitik* or ‘look East’ policy that even the Angela Merkel, his conservative successor, has been compelled to buttress. Over the past two years, Moscow has succeeded in striking major bilateral energy deals with Old Europe, bypassing the EU and consequently, American leverage over Brussels. In general, the Russian strategy is based on constructing long-term interdependence between Moscow and EU member states. Here, commercial objectives of Moscow’s energy strategy coincide with its geopolitical goals of ensuring that an anti-Russian transatlantic alignment can never be revived. Sergey Lavrov, Russia’s foreign minister, recently reiterated that “we do not want to see consolidation of the transatlantic link at our expense”.

In the aftermath of the G8 summit, there is a clear dichotomy in how Old and New Europe perceive Russia: Germany, France and Italy show unwillingness to tow the American line vis-à-vis Moscow while Eastern European states are more than eager to comply.

Thus, with a pro-American Eastern bloc existing within an enlarged EU, one consequently sees a de-facto American veto on EU affairs. This, in essence, characterises the prevailing geopolitics in Europe. The United States is seeking to institutionalise its position in Eastern Europe to “keep the Americans in”, the “Russians out”—and this time—keep Old Europe down.

Moscow’s strategy has been clear. Over the past year Russia has explicitly shown itself capable of “firm but non-

confrontational upholding of national interests in foreign affairs”, and, as Mr Lavrov had predicted in March 2006, refused to play the role of a “front-line state” in another Cold War. This is a crucial revolution in Russian foreign policy—an adamant refusal to get provoked into a costly geopolitical competition with the United States. Rather, Moscow, confident of the levers it possesses in the geo-economic sphere, is successfully bypassing US attempts to confine Russia to a regional “shell”.

Going forward, we are likely to witness a calibrated nuanced Russian diplomacy towards the EU. Russian opposition to US anti-missile plans is unlikely to come at the expense of bilateral pragmatism between Moscow and Old Europe. And therein lies the structural impossibility of another Cold War. For it takes two to play!

In retrospect, the US invasion of Iraq had brought to the fore the “strategic dissonance” between Washington and capitals of Old Europe. Russia’s dramatic resurgence in Eurasian affairs has once more exposed the contradictions between Washington’s unipolar pretensions and Europe’s pluralist world-view. It is certain that the transatlantic relationship will never be the same again. And unfortunately for the EU, both Washington and Moscow are increasingly bypassing Brussels and directly approaching national capitals to advance their foreign policy goals, undermining European unity in the process.

For New Delhi all this is yet another confirmation of India’s abiding belief in the inexorable evolution of a multipolar world order, and of an erstwhile superpower’s vain attempt to preserve an unsustainable status-quo.

Zorawar Daulet Singh is an international relations and strategic-affairs analyst based in New Delhi.

POLITICS

Moving the Right

Proponents of markets and freedoms must take their case to the people

ROHIT PRADHAN

IN A recent column in Mint, Jaithirth Rao underlined the need for a political party that would be “a *khullam khulla* supporter of free markets and individual liberties”.

There is little doubt that India needs a party that will not be shy of openly endorsing economic reforms; one which

will advocate good governance and not overarching state intervention; one which will stand up for individual liberty; one which will place natural justice higher than social justice and the rhetoric of “inclusive growth”.

The Congress party is not only socialist at its core but has disowned its single greatest contemporary achievement—the economic reforms of 1991—in part because they were initiated by P V Narasimha Rao, a non-member of the ruling dynasty. The Bharatiya Janata Party, especially after its defeat in the 2004 elections, promptly turned on markets and reforms and is now left with worst of both worlds: a parochial religious appeal and a confused economic agenda. Regional parties with their narrow caste and regional support base are more interested in fighting turf battles to protect their entitlements than genuine policy wars.

The Indian Right should educate those who have benefited from economic reforms and channelise the angst of the poor so they too demand the tools which would help them escape poverty.

For a party that espouses the rights and freedoms of individuals, a polity that is being increasingly vivisected along caste, religious and regional lines poses tremendous challenges. Thanks to a constitutional amendment the Indira Gandhi government introduced in 1976 and an amendment to electoral law the Rajiv Gandhi government brought in in 1989, it is impossible to register a political party that does not swear to uphold socialism!

And that is why no such party exists. It can be argued that the politics of a country is reflective of its sociological realities. Therein lies the failure of the Indian Right: not merely in its inability to move beyond newspaper columns but also in its failure to articulate a cogent vision. How can we hope to correct this situation?

The example of erstwhile Swatantra party would be illustrative. Swatantra, India's first and only genuinely right-of-center party openly advocated free markets, individual freedom and private property rights long before these terms became fashionable. In fact, at a time when socialism was on march and was increasingly seen as the natural system of governance, Swatantra stood up to it and offered an alternative.

But Swatantra's leaders were not merely politicians. Its president, C Rajagopalachari, popularly known as Rajaji, was an intellectual *tour de force*: a brilliant writer and a passionate speaker. Rajaji's open defiance of the existing consensus was in many ways repudiation of his own life's work—the better part of which was spent in the Indian National Congress. Apart from Rajaji, Swatantra was blessed with towering personalities such as K.M Munshi, Minoo Masani and H.M Patel, many of whom were not only intellectual leaders of the country but also builders of institutions.

This is what a new right of center movement needs. It needs to combine intellectual leadership with institution-building in the context of the twenty-first centuries.

It will need to address the growing pains of a rapidly industrialising and globalising nation. For far too long, India practised equality of poverty where a favoured elite, in cahoots with the state bureaucracy, consistently snuffed out ambitions. The rise of the middle class has posed a piquant challenge to this elite which has reacted characteristically by blaming growth and flaming caste wars to short-circuit the yearning for true change.

A key challenge for the Indian Right then is to educate those who have benefited from economic reforms and channelise the angst of the poor so they too can demand the tools which would help them escape poverty.

In other words, the Right must not only stoutly resist statist interventions that foist a state-mandated version of growth but also offer an alternative version for those who have yet to get on the bus.

A completely non-political movement would neither be effective nor desirable in the long term. But is such a political party even feasible?

Here again the example of Swatantra is illuminating. In the 1967 general elections, the party won 45 parliamentary and 209 state-assembly seats—many more than the communists did! This when India was still in thrall of Nehruvian socialism and there was no middle class to speak of.

In his "Why Swatantra", Rajaji wrote: "The Swatantra Party stands for the protection of the individual citizen against the increasing trespasses of the State. It is an answer to the challenge of the so-called Socialism of the Indian Congress party. It is founded on the conviction that social justice and welfare can be attained through the fostering of individual interest and individual enterprise in all fields better than through State ownership and Government control. It is based on the truth that bureaucratic management leads to loss of incentive and waste of resources. When the State trespasses beyond what is legitimately within its province, it just hands over the management from those who are interested in frugal and efficient management to bureaucracy which is untrained and uninterested except in its own survival."

Rohit Pradhan is a contributing editor of Pragati.

FOREIGN POLICY

Beyond principle

India must take leadership in setting the global agenda on mitigating climate change

DWEEP CHANANA

IN RECENT months, but particularly prior to the recent G8 summit, much attention in political circles was focused on the issue of climate change. Angela Merkel, Germany's chancellor, had publicly stated her desire to have the United States join the Kyoto Protocol. While rejecting such immediate action, President George Bush nevertheless admitted the need to work towards a global treaty to replace Kyoto when it expires in 2012—reversing years of American policy. Even China presented a policy paper on how it intended to combat climate change.

India, however, was conspicuous more by its silence, but one that was expected. For years, India and China have been under pressure to accept emission cuts to curtail their fast expanding carbon dioxide emissions. In refusing to bear the responsibility or cost for climate change action India's position has been that climate change has been caused by the developed world; that despite being the fifth largest carbon dioxide emitter, India is not a significant greenhouse gas (GHG) emitter on a per-capita basis, and the attack on poverty through economic growth cannot be threatened by measures to curtail GHG emissions.

India's negotiating position is justified. Only, thus far, India has refused to negotiate. In doing so it is wasting a political opportunity to promote its interests in emerging international regime on climate change.

The futility of taking the high road

India's primary argument is based on principle: since the developing world was not responsible for climate change, it should not pay the price of repairing it. Prime Minister Manmohan Singh called this the principle of "common but differentiated responsibility."

The ethics of the debate may be

in India's favour, but that ignores the inevitability of climate change. Today, it is accepted that despite our best efforts global warming will occur and its costs borne mostly by the poor. According to a report by Lehman Brothers cold countries such as Russia will benefit from rising temperatures, while India, Africa, and Europe will suffer the most. Critically, the poor regions simply lack the resources to help their populations adapt to changes, or insure against their consequences.

Given this reality, pinning responsibility for climate change will not help. Instead of merely apportioning responsibility, the Indian government's policy on climate change must be driven by the broadly defined security of its citizens.

Costly growth

Another argument is economic—mitigation is costly and threatens India's economic growth. If India is to act, it should be compensated for lost GDP growth.



The green ambassador from India

Receiving compensation is also a desirable negotiating objective, but the developed world is unlikely to compensate India if it is not part of an international mitigation effort. Worse, India's non-participation is likely to undermine international mitigation efforts, and endanger the very growth it wishes to protect, particularly in the agricultural sector.

India aims to raise agricultural growth from 2% to a trend average of 4% in the eleventh five-year plan. However, according to the World Bank estimate climate change could cause crop yields in India to fall by 30% by mid-century. Even if growth in the manufacturing and service sectors remains unaffected, it is unlikely that this will offer much relief to India's substantial rural population, whose fortunes remain dependent on monsoons.

Perpetuating inaction

Inaction by India perpetuates inaction by others. The United States has long held that it will not accept emissions targets unless India and China follow suit. India's inaction is therefore doubly harmful, providing "a fig leaf for US inaction".

Indeed, so strong is India's political inertia that despite success stories like Tulsi Tanti's Suzlon—a world leader in wind energy—policy-makers have failed to see that climate change is not just a risk but an opportunity that is transforming industries and creating new ones.

In 2006, the North American 'cleantech' venture capital industry grew by 78% to \$2.9 billion, becoming its third largest segment. Over half of this investment goes into energy efficiency technologies, but other sectors and countries are benefiting too—Israel, for example, is the largest investor in the water segment. In great need, venture capitalists have seen great opportunity. Indian policy-makers would do well to do the same rather than simply demanding cheap access to such technology.

A case for political action: sharing the cost of action

India's position does not sufficiently factor in the practical irreversibility of climate change. In spite of the world's best efforts at reducing GHG emissions, existing carbon dioxide will remain in the atmosphere for a century. As a result, global temperatures are expected to rise by up to 2°C with attendant increase in the frequency and intensity of extreme weather events. This implies that mitigation, by itself, will not be enough—countries will have to help their populations adapt to global warming. This is particularly true in Asia and Africa, where populations are significantly dependent on weather patterns.

Ironically, these are also regions that are ill-placed to finance adaptation. The World Bank estimates adaptation costs for the developing world to be between US\$9-41 billion annually.

Yet, while developed countries have announced multi-billion dollar domestic adaptation programs, they have committed only US\$48 million thus far to UN adaptation efforts for LDCs. The Kyoto Adaptation Fund, an innovative financing mechanism that sets aside 2% of carbon credit receipts to adaptation, will also optimistically provide only up to US\$600 million in funding by 2012.

Adaptation costs are likely to be unavoidable but should not be paid for by India alone, for they are the result of pollution caused by the developed world. India must show leadership on the issue and ensure that the West bears its share of adaptation costs. But by doing nothing, India can expect nothing in return. There is little to gain by ending up as an unhappy laggard.

Shape the agenda

Certainly, India should not accept binding cuts immediately. India's internal compulsions for climate change action notwithstanding, *quid pro quo* dictates that India should extract maximum benefits from participation in any international regime. The good news is that India's principled position is an excellent starting point for it provides substantial leverage to shape an international framework to India's benefit.

The EU has been particularly keen to have the United States, China, and India adopt the Kyoto Protocol's binding emissions targets. All three have refused, but what if India was to indicate simply a willingness to join Kyoto, while simultaneously presenting a credible proposal on what compensation that would entail? India has already signalled—by way of its principled stance—that the EU needs India more than the other way around. That strengthens bargaining power, but the window of opportunity is closing. Once the US and China take a definitive lead on the issue, India will be left not with the opportunity to shape an international framework but with the responsibility to accept whatever is decided in its absence. It is time for India to take the next step and put out a positive agenda on the international negotiating table.

Dweep Chanana is a technology and management professional and a guest writer at The Indian Economy Blog.

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Essential readings of the month

Realism under the rhetoric

FROM THE very beginning, Nehru's goal was to develop India to take its place as one of the four major powers of the world along with the US, Soviet Union and China. For him non-alignment was a strategy: an instrument of policy and not an ideology.

In a sense, non-alignment was the balance of power in a bipolar world where the two major blocs could not go to war with each other because of nuclear weapons. In spite of the US tilt towards Pakistan on Kashmir and its military pact with Islamabad, India did not hesitate to accept PL-480 aid and technological assistance for the green revolution.

Though the Indian communists called Nehru a running dog of imperialism in the immediate wake of independence, he cultivated the Soviet Union for technological assistance. When the US-China-Pakistan axis developed in 1971, India countervailed it with its friendship treaty with the Soviet Union.

Even while not endorsing the Soviet invasion of Afghanistan and the US action against it, Indira Gandhi and Rajiv Gandhi cultivated President Ronald Reagan and entered into a memorandum of understanding on cooperation in military technology with the US.

Indo-Soviet relations flourished at the same time. We must also understand that there was a wide gap between India's public espousal of nuclear disarmament and its quest for nuclear weapons and missiles.

- K Subrahmanyam, *"Less Moralism, Please"*, The Times of India, 30th Jun 2007

Old secrets, but not news

[DECLASSIFIED] CIA documents released this week extensively detail what the US saw as Chinese perfidy and Indian naivete that led to the 1962 war between the two sides.

In the three chapters dealing with the India-China border spat, CIA analysts suggest that Beijing and its then premier Zhou Enlai consistently fooled Nehru and India through procrastination and dissembling.

The analysis says that Zhou repeatedly conned Nehru by telling him that there was really no border problem except for some "petty issues" which could be resolved by officials at lower levels. He also disarmed Nehru by pleading that Communist China had not had the time to revise maps from the old Kuomintang regime (which claimed areas that belonged to India.)

At the same time, the documents also paint a picture of India's first prime minister Nehru as a naïve, romantic statesman who was gullible enough to be taken for a ride by the Chinese. Nehru, say the first set of documents, even kept border incidents and rising disagreement with China out of Indian public domain in order to contain public opinion and to maintain his relationship with Zhou.

"The Chinese diplomatic effort was a five year masterpiece of guile, executed—and probably planned in large part by Chou Enlai," the CIA analysis says.

- Chidanand Rajghatta, *"Chinese deception, Nehru's naivete led to '62 war: CIA papers"*, The Times of India, 27th Jun 2007

The mango crate way

WHAT THE (Pakistani) army thinks about the political log-jam and what it decides to do in the event of continuing stalemate, instability or violence will be the defining factor in Musharraf's future, most commentators agree.

If and when the army feels it is being damaged by its association with Musharraf, and his insistence on retaining the dual posts of president and chief of army staff, it will act to safeguard the reputation of the army, they say.

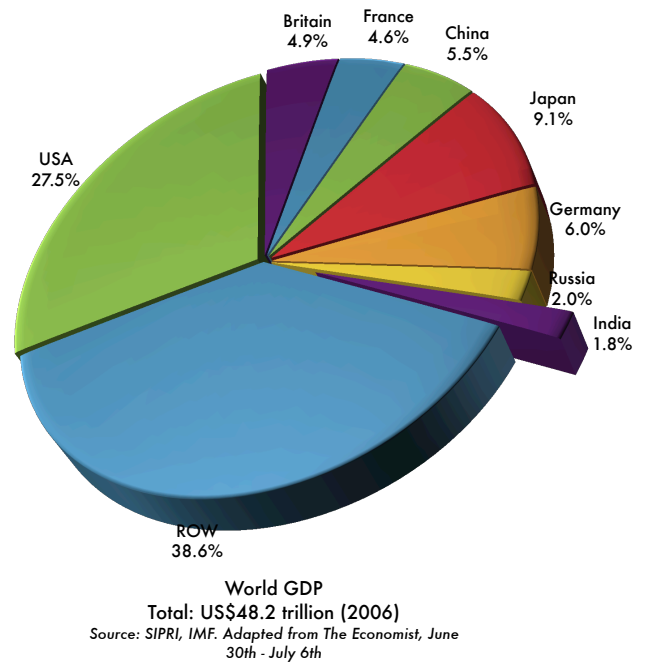
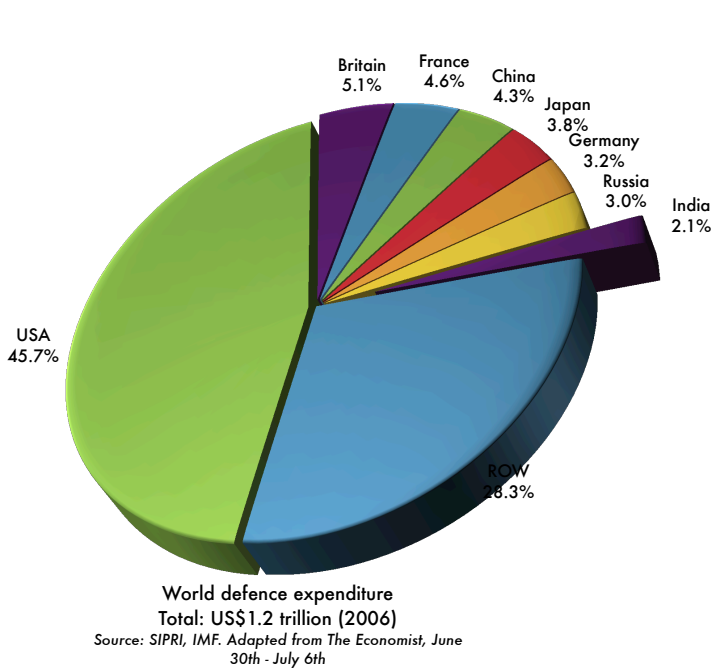
This being mango season, the old story has gained a lot of currency lately. "He either goes the mango crate way or he goes gracefully," as one serving military officer said, speaking on condition of anonymity.

The longest-ruling general, Mohammed Zia ul-Haq, who seized power in 1977, died in 1988 in a plane crash, the cause of which remains a mystery. The strongest possibility is that the plane was sabotaged, possibly by a bomb—or even, according to one theory, by a knockout gas—hidden inside crates of mangoes, a gift that was put on board the presidential plane at the last minute.

- Carlotta Gall, *"Grumbling in the army bodes ill for Musharraf"*, International Herald Tribune, 27th Jun 2007

America will back the Pakistani army

[CONTRARY TO] the claims of the most zealous advocates of democracy promotion—the United States would not benefit from taking a hard line against Musharraf's continuance in office as president or army chief this year. Washington's choice is not between Musharraf and democracy, nor is it between Musharraf and radical militants. Rather, the choice is between an army chief (Musharraf or a successor)



in a coalition with progressives and moderates and an army chief in league with other less appealing partners.

Washington's rhetoric and quiet cajoling will not ultimately determine political outcomes, but they can send signals and create opportunities that might not otherwise exist. [Top] U.S. officials should stand behind three basic principles when discussing Pakistan.

First, they must continue to repeat the mantra of "free and fair" Pakistani elections. Washington should warn specifically against the "pre-cooking" of elections by the ISI or other government agencies, and join other international partners in arranging extensive election monitoring by outside observers.

Second, Washington should take a principled stand on the protection of human rights and the constitutional rule of law. Washington can lend its indirect support to a new political alliance to wage the long-term fight against extremism in Pakistan.

Third, U.S. officials should begin to stress publicly the need for "internal party democracy."

- Daniel Markey, "A False Choice in Pakistan", *Foreign Affairs*, July / August 2007

Love-hate relationships

[MAJORITIES IN] two of America's most important Asian trading partners—India and Japan—continue to express favourable opinions of the United States.

Indians and Russians also express negative views of U.S. cultural exports

The poll also finds flagging views of China, an emerging superpower. Favourable views of China have fallen in Western Europe—particularly in Spain, Germany and France. And while China's image is generally positive in Asia, it has grown somewhat more negative in India and much more negative in Japan, where unfavourable opinions of China now outnumber positive ones by more than two-to-one (67%-29%).

The polling also finds concern about China's economic clout in Mexico, Czech Republic, South Korea and India. In sharp contrast, the publics of the African nations surveyed give thumbs up to China's economic power.

- Pew Global Attitudes Project, "Global Unease With Major World Powers", 27th Jun 2007

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FOREIGN POLICY

Propitious omens

How India is engaging West Africa

SUSHANT K SINGH



The recent economic reconstruction and development initiatives of West African countries are creating a new investment climate that is very attractive to Indian investors. Historically, India has been a long-standing provider of aid, primarily through the use of its manpower assets and the provision of training. India has now sought to gain a foothold in these countries by writing off debts owed under the Heavily Indebted Poor Countries (HIPC) initiative and by restructuring commercial debts. In a bid to expand its economic reach, in 2004 India launched an initiative called Techno-Economic Approach for Africa-India Movement (TEAM-9), together with eight energy- and resource-rich West African countries, comprising Burkina Faso, Chad, Côte d'Ivoire, Equatorial Guinea, Ghana, Guinea Bissau, Mali and Senegal.

This initiative is part of a broader policy by the Indian government to engage the underdeveloped, yet resource-rich countries of West Africa, which required both low-cost technology and investment to develop their infrastructure. In particular, India wants to play an important role in helping them channel their energy resources more efficiently. Within the framework of TEAM-9, India has extended lines of credit totalling \$500 million to the eight West African countries. Countries such as Senegal, which is rich in phosphate, and Côte d'Ivoire, which has abundant supplies of energy, sought investment in core infrastructure areas. For its part, India wants to foster a long-term economic partnership with these countries—one that can translate into improved energy security and a wider market for Indian goods over time. Such a partnership means political presence in a part of the world where India had hitherto had little influence.

India's present-day economic policy towards West Africa is based on several considerations. Having significantly changed their stereotypical ideas about Africa, New Delhi's policy mandarins have dropped the approach of 'one size fits all'. India is also taking cognisance of the broad trend in West Africa towards democratisation and the halting of the large number of long-standing civil wars or ethnic conflicts. Following their experience of major conflicts, Sierra Leone

YOUSSOUF BAKAYOKO, foreign minister of Côte d'Ivoire, led a 110 member delegation, comprising top Ivorian entrepreneurs and government ministers, to the Indo-Ivorian trade commission meeting in August 2006 in New Delhi, where they drafted dozens of deals to be signed later. India reckons that its investment in Côte d'Ivoire, mainly in the mining and hydrocarbon sector, will be \$1 billion over the next five years. Terming this as both "remarkable and unusual", Commerce Minister Kamal Nath said that the unusual part was that in the last 10 years, Indian companies have announced investments of \$10 billion worldwide and the commitment to Côte d'Ivoire alone represents a little over 10 per cent of that figure.



From India. Now made in Senegal

and Liberia are today relatively peaceful, secure and stable countries that offer an environment conducive to business. Despite this, one of the major problems that West Africa faces today is economic marginalisation. French and British economic influence is declining, and West African countries are seeking to diversify their international relations.

Moreover, of the twelve fastest-growing emerging markets in the world, six are in Africa and no fewer than five in West Africa. Although such growth rates are from a relatively low base, India believes that they are sustainable and of enormous potential for Indian businesses.

The most significant change in India's approach towards West Africa has been a concerted policy by various government ministries. The Ministry of Commerce and Industry's Focus Africa initiative aims at promoting projects in and creating market access to specific countries. The India Development Initiative provides a funding mechanism – namely, lines of subsidised credit – to encourage Indian businesses to expand into Africa. The success of this conjunctive approach is evidenced by the expressed desire of six other countries to join the TEAM-9 initiative.

India appears to be making a cautious effort to focus on sectors in which it has competencies and that offer the prospect of mutually beneficial economic co-operation. Clearly, Indian expertise in sectors such as infrastructure, pharmaceuticals, health care, information technology and car manufacturing benefits West African countries. Like India, West Africa is a huge market that has growing aspirations, rising incomes and a low penetration of services in rural and remote areas. Because both the middle and the low end of the market are price sensitive, Indian companies are keen to exploit the untapped demand of this constituency using low-cost technologies. Indian companies believe that they can replicate their success in difficult, low-income home markets characterised by immature logistics, ambiguous legal situations and poor distribution environments in West African markets that display similar attributes.

Another similarity between India and West Africa is the availability of cheap, skilled labour, which makes it worthwhile for Indian companies to set up manufacturing operations in West African countries; indeed, the saving on shipping and inventory costs boosts the attractiveness of such an arrangement even further. SENBUS Industries, an Indo-Senegalese joint venture that assembles Tata buses and is 40

percent-owned by the Indian partner, was launched in 2003. An assembly plant for three-wheeled vehicles is expected to begin operations in Senegal in the near future, while a Malaysian subsidiary of an Indian company has established Indo-Sen, a textile joint venture that involves a Senegalese company and an investment of more than \$2 million. Similar investments in the automobile and pharmaceuticals sector by Indian companies are planned in Côte d'Ivoire and Liberia.

Rather than viewing West Africa simply as a source of raw materials and a market for its goods and services, India should invest in the region's human capital and share Indian know-how – both commercial and political

Concerned about its growing reliance on oil from the Persian Gulf—65 percent of its energy is imported from the region—India is following in the footsteps of other major oil-importing economies by seeking supplies from elsewhere. Indian firms' investments in overseas oil fields are projected to reach \$3 billion over the next few years. They are focusing their attention on West Africa, especially Nigeria, with which India has reached a long-term deal on the purchase of about 44 million barrels of crude oil annually.

India is packaging offers of infrastructure investments in addition to cash bonus payments on signature of energy contracts. While there are inherent risks in such deals, they are necessary for Indian oil companies to secure a foothold in the region. There has also been controversy in Liberia over a \$900 million deal to mine ore with Mittal, whose contract allowed the company to opt out of national human rights and environmental laws. The contract is currently being reviewed by the Liberian Senate.

Today, the growth in economic ties between India and West Africa seems dramatic because it started from a very low base; indeed, it is likely to flatten in the coming years. India is in direct competition not only with the old colonial masters in the region (such as France) but also with cash-rich China for a share of the West African pie. In recent years, China's political, economic and military relations have been subordinated to its quest to secure energy re-

sources in the African continent. These are being secured in exchange for aid, arms or infrastructure investment.

Unlike China, India's quest for energy in West Africa is not a core component of the Indian government's energy security policy; rather, it is part of its bid to diversify energy sources. But the unstable security climate, the patterns of conflict, the fragile political state, weak democratisation, religion, terrorism and the high prevalence of HIV/AIDS all have the potential to derail the Indian success story.

Rather than viewing West Africa simply as a source of raw materials and a market for its goods and services, India should invest in the region's human capital and share Indian know-how—both com-

mercial and political—with West African businessmen and leaders. The mechanics of India's democracy in a post-colonial setting will provide relevant lessons to the region. Moreover, India can offer West Africa important insights into agricultural expansion, clean water management and how to confront the growing threat of climate transformation. For their part, the region's political leaders would like their constituencies to believe that India and West Africa are making a joint effort to improve the well-being of their peoples and societies.

But the ground realities in the era of globalisation and multilateralism are very different from this utopian view. Indian companies' increased activities overseas have spurred the government to link its diplomacy more explicitly to its economic requirements. Current global equations and recent Indian policies confirm that India's engagement with West Africa has shifted from the old issues—colonialism, non-alignment and South-South co-operation—to new ones revolving around trade and energy.

Sushant K. Singh was with the United Nations in Côte d'Ivoire till last year and is the author of the Chatham House briefing paper 'India and West Africa: A burgeoning relationship'

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AFGHANISTAN

Defeating Dorothy's menace

The pernicious problem of opium and why we should stop trying to stop it

JOSHUA FOUST

IT IS SOMETHING of an axiom that opium production is bad for a developing economy. The presence of drug smugglers and attendant corruption, the crime, the general breakdown of the rule of law and legitimacy of the state, all present major challenges to stability and development. In Afghanistan—which produces something like 90% of the world's opium—this problem seems especially acute. It is generally believed that opium stands in the way of the rural and agricultural development necessary to push the country into the twenty-first century.

This belief is also wrong. That is because opium is not a cause of any of Afghanistan's problems, but rather a symptom. Before the Soviet invasion in 1979, Afghanistan was known more for its orchards (and Western hippies) than anything else. With the mujahideen and warlordism came the poppy: drugs paid for guns. As the country deteriorated throughout the 90's, opium production increased dramatically, especially as the Taliban actively encouraged its cultivation. International pressure finally forced them into a prohibition in 2000, when their control was peaking.

In this sense, opium can be seen

as an indicator of societal chaos—more opium production indicates greater chaos and anarchy. Such an indicator is imprecise, but nevertheless illustrative: after the Taliban were removed and Afghanistan's feeble economy collapsed, opium production soared. As the Taliban began its much-touted counteroffensive in 2004, production reached levels previously unheard of—upwards of 4,500 tons each year. More alarmingly, this massive increase did not result in an immediate reduction in prices, and only attracted more Afghan farmers to plant poppies.

Focusing on the elimination of opium production—a key prong of the West's anti-narcotics strategy—misses the point. Afghan farmers don't grow poppies because they like to but rather, because it is all they can grow with variable

water levels, bad or non-existent irrigation systems, and an unreachable global or regional market for other agricultural staples. (The land-locked country's troubled relations with Pakistan since the latter's foundation in 1947 had resulted in Afghan farmers losing the access they traditionally enjoyed to markets in Northern India.)

Addressing the economic reasons be-



Photo: Michael L. Casteel/US Army

Cropper substitution

hind opium production is the ultimate solution. The Senlis Council, a European think-tank which advocates legalising opium production for medicinal uses, has led the charge. It advocates licensing as an alternative to costly and counter-productive eradication policies. But this approach too is misguided: while it rightly notes the success of licensing in Turkey and India, in Afghanistan it is likely to present far more problems than it can solve.

For one, the situations are not analogous. In Turkey, opium is not harvested manually as in Afghanistan, but a substance called concentrate of poppy straw (CPS) is harvested mechanically. India's program involves manual cultivation, but farmers are legally prohibited from harvesting beyond 0.10 hectare, which, despite output-dependent prices, is far less profitable than illegal crops. Even here, illicit cultivation is not entirely eliminated. Afghanistan, moreover, lacks the institutional and legal infrastructure to handle licensing and inspection.

The global market for legal opiates is saturated. A relatively small number of people in chronic pain use opiates and the pharmaceutical industry is already squeezed trying to make a profit off the current number of legal producers. Demand is not growing along with the number of people who can potentially afford them. To the extent that increases in opium supply worsen bottom-lines, the pharmaceutical industry is unlikely to welcome proposals for legalisation.

Eradication—destroying opium crops—is counterproductive as well. If the mess of Colombia is not a sufficient enough reason, then looking at Laos or Myanmar would indicate others. Not only is it impossible to prevent replanting after a spray job or bulldoze, such a policy tends to undercut the support and legitimacy of the national government, which is crucial given that illicit opium production occurs where government control and legitimacy is at its weakest. Eradication angers the rural population without providing them any other way of feeding themselves or making money—a counterproductive policy when the government is battling an insurgency.

Alternative Livelihood (AL) programmes are showing promise in drug producing areas. While they have some problems—severe underfunding and an unintentional association with the hated eradication procedures, among them—these are not insuperable. The big problem with AL programs is that they run into the same problem legalisation does—price. In Afghanistan, it is difficult to grow a crop of cereal grain at profit, and the security situation makes maintaining orchards or other higher-value crops

extremely difficult. In addition, even if food products could be easily grown and sold, there is no transport infrastructure to move them. Opium can be moved because it is both valuable and non-perishable. If pomegranates are grown near Kandahar today, for instance, it would cost far too much to transport them to a market while still fresh. In the absence of good access to a seaport or highway or rail network, aircraft are the only means of quickly moving produce—and transporting by air is expensive.

Why not do nothing? Focusing on ways of replacing opium, misses Afghanistan's real problem: poverty, insecurity and lack of infrastructure. And the overwhelming majority of the foreign aid that could address these issues flows outside the Afghan government channels and oversight. This undercuts Kabul's legitimacy even among the people it is meant to help.

Though investing only in security will not end opium's pernicious hold over Afghanistan, the current levels are insufficient. Foreign troops must be specifically trained to deal with the local languages and culture in sufficient numbers to prevent retaliatory measures by the Taliban. The police and National Army units should be trained not by Colombian counter-narcotics officers (as is now the case), but by specialists in peace keeping, institution building, and power projection. Security can only be a compliment to further investment in road construction, electricity production, schools, and hospitals; and it all must travel through official government channels to secure the legitimacy of Kabul as the centre of government.

This is a very long-term solution, but it has the best chance of working. Building up Kabul's institutional capacity to simultaneously handle large-scale reconstruction efforts and protecting locals from retaliation is the only way to address Afghanistan's complex challenges. The current methods adopted by the United States and its allies, with an over-focus on, and under-investment in military-style security—along with eradication and crippled, non-government development programs—has resulted in chaos and misery. It is time for a change of plans.

Joshua Foust is an editor at Registan.net, a blog covering Central Asia. He also works for Toffler Associates, the strategic consulting firm founded by the futurists Alvin and Heidi Toffler.

POLITICS

Hard Left

Indian Communists must square with their past

SHASHI SHEKHAR

ON JUNE 26th the CIA released a collection of declassified analytic monographs and reference aids, designated as the CAESAR, ESAU, and POLO series. These archives highlight the CIA's in-depth research on Soviet and Chinese internal politics from the 1950s through the mid-1970s. Of particular interest to India in these archives is a three-part series on the border dispute with China as well as an in-depth analysis of the activities of the Communist Party of India (CPI) leading up to the split into two factions; one pro-Soviet and the other pro-China.

The CIA revelations come at a time when the Left enjoys unprecedented leverage in national politics through its critical support to the UPA Government.

The archive titled *"The Indian Communist Party and the Sino-Soviet Dispute"* covers the period 1956 to 1962. It draws its facts from multiple sources including a book by Minoo Masani on the Communist Party of India. A Harry Gelman is identified as the author of the archive. Running into all of 185 pages it covers the rise of B T Ranadive and the militant line within the CPI. It then goes on to recount the changing Soviet line on Nehru and the impact this had on the CPI. It also examines the focus on the formation of the E M S Namboodaripad's Communist party government in Kerala and the debate within the party on peaceful transition to socialism. The polarisation between China and Russia is analysed through the prism of the Tibetan revolt, the border dispute with China and the CPI approaching a split in 1961 with the death of Ajoy Ghosh.

A central theme within the archive is the constant conflict between the ultra hard left and the moderate factions. The principal players in the ultra hard left faction are Ranadive, Sundarayya, Basavapunniah, Harkishen Singh Surjeet and Jyoti Basu. Ajoy Ghosh is identified as a moderate leader with pro-Soviet leanings. Beginning with the Russians and then the Chinese, the two factions looked abroad for inspiration and material support while subordinating national interest.

1957 - through a reliable source it was learnt that E M S Namboodaripad was asked by the Soviet Communist Party to submit a full report on the methods by which the CPI won the Kerala elections.



They missed the news

1958 - an official in the Soviet Embassy contacted CPI leaders to renew the request to set up an underground organisation. When Ajoy Ghosh refused, Surjeet felt Ghosh was being complacent and decided to reach out to the Soviets on the same.

The CPI eventually went on to create a secret organisation within the Indian Army. Jaipal Singh is identified as the leader of the secret organisation. The local party in Andhra—enamoured by Chinese methods—is identified as one of the earliest of factions to call for a hard left turn. Basavapunniah one of the leaders from Andhra is quoted as saying "the real source of inspiration for the CPI should be Communist China and he intends to talk to Chinese leaders as a disciple talks to his teachers."

The inspiration from external sources took a treasonous turn in 1959.

1959 - Ajoy Ghosh in his report to the Central Executive Committee informs that both China and Russia have insisted that the CPI must develop a standby apparatus capable of armed resistance while intensifying penetration of Indian military forces

The Communists sought external help to suppress the non-Congress political opposition in India.

Ranadive met the Chinese ambassador in the aftermath of the invasion of Tibet and offered CPI's support to China on

the issue and called upon it to concentrate its attacks on anti-Chinese Indian leaders.

Further, in a letter written by Ghosh and Ranadive to the Chinese, the Praja Socialist Party and the Jan Sangh are singled out. With the emergence of the India-China border dispute, the gulf between the pro-Soviet and pro-China factions widened. A pro-Soviet Ghosh urged against welcoming Chinese military presence on the borders—but this was rejected by the hard left.

With the (Chinese army) present along the Indian border the Indian Communist Party had a channel of support for armed operations and a potential liberator in the event of mass uprisings.

First reported in 1959, the hard left's quest for Chinese military support to further its political cause was a recurring theme. The militant pro-Chinese line was formally endorsed by the West Bengal faction which passed a resolution praising the Chinese communist party. Further intensification of Chinese influence was reported by Ajoy Ghosh through Peking's intentions to exercise control on communist parties in Asia. In 1960, a new Chinese Consul in Calcutta is reported to have held several meetings with Bengal's hard left faction resulting in more treachery:

The setup of 4 powerful radio sets in Calcutta to listen to broadcasts from Peking and the printing of propaganda material by *Swadhinta* based on these broadcasts.

The CIA also reports substantial financial subsidies from China to the West Bengal hard left factions. This is confirmed by Basavapunniah to two CPI Leaders that a

Foreign supply base is now available for the underground organisation with Chinese occupation of Tibet and frontier areas

By September 1960, factional differences come formally to the fore with Jyoti Basu, Harikishen Singh Surjeet, Basavapunniah, Sundarayya and Ranadive formally supporting China on the border dispute. In further treason a letter was written to the Chinese seeking

collaboration in Indian underground organisation work aimed at an eventual revolution, because China has a border with India and can provide arms and supplies

The subordination of national interest became evident when Z A Ahmed, a communist leader, called for a nationalistic position on Chinese incursions into India only to be severely berated by the West Bengal faction.

The CIA archives raise many disturbing questions given the role Messrs Surjeet and Basu come to play in Indian national politics in later years. The critical question is how long did these two players take orders from the Chinese, pursue secret underground activities and penetrate the armed forces. The question warrants further investigation, perhaps through a commission of enquiry into anti-national acts by the CPI and its functionaries to determine the extent to which national security was compromised. It might have been a long time ago—but both the CPI and some of the names in question are still active. For that reason, a full account of their past is in order.

Shashi Shekhar is a resident blogger at The Indian National Interest

DEFENCE

Imported thunder

An analysis of JF-17 "Thunder", Pakistan Air Force's latest acquisition

MIHIR SHAH

ON MARCH 23rd, two JF-17 "Thunder" fighters took to the skies for the first time in Pakistan as a part of the Pakistan Day celebrations. Touted to be Pakistan's first home made fighter, the JF-17 is expected to be the Pakistan Air Force's (PAF) frontline fighter well into the future.

The programme began in 1986 as the Super-7, when China signed a \$550 million deal with Grumman, an American defence manufacturer now a part of Northrop Grumman, to modernise its fleet of J-7 (China-made MiG-21) fighters. Following the Tiananmen Square massacre of 1989,

the United States ceased technical assistance and the project almost came to a halt. However, Chengdu Aircraft Industry Corporation (CAC), a state-owned enterprise, managed to keep the program alive as the FC-1. The project got a new lease of life in 1999, when Pakistan and China signed an agreement to "jointly" develop and produce the FC-1 with both countries contributing 50% of the funds. Russia's Mikoyan Aero-Science Production Group provided technical assistance.

The FC-1 (designated JF-17 “Thunder” by Pakistan) was supposed to be a lightweight all-weather multi-role fighter, which would replace Pakistan’s fleet of obsolete Mirage-III, F-7, and A-5 aircraft. The Pakistani version would sport a Western avionics suite, which included the Italian Galileo Avionica Grifo S7 radar, a variant of which is already in service with the PAF on its F-7 fighters. It would be powered by one Russian Klimov RD-93 turbofan – an improved version of the engine powering the MiG-29. The *Aviation Week & Space Technology* magazine reported in November 2006 that “Pakistani officials expect the first contract for 16 aircraft (split equally with China) to be awarded next year, with deliveries as early as 2007. A full-rate production contract would follow around 2009. Initially, Pakistan will provide 58% of the parts, but that is supposed to increase gradually to 100%.” The overall Pakistani requirement is expected to be around 150 fighters.

Pakistan attempted to demonstrate the progress of the project with a flypast on Pakistan Day. But a closer look reveals several potential problems. The Western avionics are nowhere to be seen,

and decisions to procure them do not appear to have been made. Radar integration, a challenging job under the best of circumstances, seems to have run into problems. The task is complicated in no small part by the lack of space available in the JF-17’s radome. It is now widely claimed that the first batch of Pakistani JF-17s will be equipped with Chinese avionics and radar instead.

The weapons package is yet to be finalised. While China is expected to push its PL-9 dogfight missile and the yet untested SD-10 beyond visual range air-to-air missile, Denel, a South African manufacturer, has reportedly offered its A-Darter and T-Darter missiles.

In January 2007, the head of the Russian Defence Ministry’s International Cooperation Department, Colonel-General Anatoly Mazurkevich, announced that Russia had “denied China the right to supply its JF-17 fighter aircraft powered by Russian RD-93 engines to third countries, asking it to sign an end-user certificate for the engines”. In Indian circles, this was taken to be a total Russian denial. But in late March, Russia changed its position and has permitted the supply of engines for the entire Pakistani fleet. However, China seems to have lost interest inducting the FC-1, preferring the more capable J-10 instead.

Given development time-frame and mission profile, comparisons between the JF-17 and India’s Tejas light combat aircraft are inevitable. But similarities, if any, are merely superficial. The Tejas, meant to replace India’s massive fleet of MiG-21s, is a wholly different project as far as technology is concerned. Its airframe, made of advanced carbon fibre

composites, is a generation ahead of the JF-17’s all-metal airframe. The same goes for the Tejas’ aerodynamics which, because of the compound delta-wing, extensive wing-body blending, and low wing loading are superior to those of the Thunder, which has a more conventional layout along the lines of the MiG-21, the F-16, and a rejected Soviet light fighter design. As far as flight dynamics and control go, the Tejas, with its relaxed static stability and quadruplex, full authority fly-by-wire digital flight control system, is far more advanced than the Thunder, which still features conventional controls (fly-by-wire exists only for pitch control).

The Tejas then, is a state-of-the-art combat aircraft which will be India’s first step towards self-reliance. Program wise, it is more comparable to the Eurofighter Typhoon and Dassault Rafale, considering not just the technology involved, but also the scope of the project. The Tejas project though, has a longer timeline.

Despite Pakistan’s best efforts to package it as “indigenous”, the JF-17 is anything but. Pakistan’s contribution to

the design and development of the project is insignificant. It is at best a low-cost and

medium-tech Chinese aircraft that Pakistan can mass produce. As a contributor on the forums of *Bharat Rakshak*, a premier web site on Indian defence issues, points out, the JF-17 is more comparable to the HJT-36 Sitara intermediate jet trainer – since both have an all-metal airframe, conventional controls, and an externally sourced engine.

The JF-17, however is not a bad aircraft. It will serve a very important purpose by giving Pakistan valuable experience in fighter aircraft manufacturing. It will help Pakistan reduce its dependence on American weapons. It will give the PAF a shot in the arm by beefing up numbers and providing it with respectable beyond visual range combat capability. As once aviation enthusiast put it: “If the Pakistanis integrate even a medium performance radar and use the Chinese SD-10 missile with it, it is a big threat to the Indian Air Force (IAF) – just look at the MiG-21 Bison to see what an underestimated fighter can turn out to be. The Sukhoi Su-30K was also found to be a poor aircraft when the IAF first evaluated it, and then after all sweat and toil put into getting its avionics in place and the thrust vector controls, the Su-30MKI is a completely different beast! The JF-17 might well prove to be comparable to the IAF’s MiG-29s, Mirages, and Bisons—if not actually superior. Which is why the IAF needs a true fourth generation fighter to stay ahead.”

Mihir Shah is a graduate student studying mechanical engineering.

BOOK REVIEW

In the Year of the Rooster

CHANDRAHAS CHOUDHURY

CHINA'S SUSTAINED economic boom over the last twenty-five years and India's progress since liberalisation have generated a great deal of breathless talk - particularly in the financial press - about caged tigers waking, the balance of power in the world shifting, and the twenty-first century being "the Asian century". Much of this is just hot air. Although China is now the fourth-largest economy in the world, and India not far behind, per capita income in both countries is a fraction of what it is in the developed world.

Further, both countries have followed unusual paths to greater prosperity. India's growth has been kick-started by its comparative advantages in the IT and service sectors: but without an industrial revolution, which may dampen growth in the long run. China, on the other hand, is the workshop of the world, owing its growth to massive exports of consumer goods and an unusually high domestic savings rate. Its economic miracle is all the more surprising because it has managed and directed by the Communist Party, which controls the apparent paradox of a socialist market economy. Everywhere the question is being asked: can such a rise be sustained?

The French political commentator Guy Sorman has been an Asia-watcher for three decades now, and has written a series of intriguing books, including *Barefoot Capitalism* (1989) and *The Genius of India* (2001). His latest book, *The Year of the Rooster*, is an attempt to inspect the Chinese miracle from within, building on a year of travel, study and encounters with people in China in 2005, the Year of the Rooster in the twelve-year animal cycle of the Chinese calendar. We are presented not with an enigmatic, faceless China of facts and figures of the kind bandied so often in the press, but instead a people very much like any, hungry for civil and religious liberty and for responsive government, but in thrall to forces whose power they cannot contest.

Sorman follows, on the one hand, the trail of misery and cruelty left by the Party-State. The story of China, he dem-

onstrates, is "a chronicle of everyday repression". He meets the mother of a youth who was killed during the suppression of the protests at Tiananmen Square in 1989, still trying, in 2005, to get information on how and why her son died. He comes across political dissidents who have spent years in prison being tortured, and members of banned religious sects who have done time in labour re-education centres. Some rebels dream of an armed revolution, others of a thaw ushered in by a figure in the Chinese communist party comparable to Gorbachev or Yeltsin, still others of a Chinese Martin Luther King.

Civil society is weak, for "the ability to associate outside the Party is what the Party fears the most". Thought control is everywhere. Both the press and the judiciary are emasculated, and serve as unofficial extensions of the Party. With ever larger numbers of Chinese people gaining access to computers, the regime subjects the internet to government control, and the state telephone company has developed software to censor text messages for words like "Tiananmen" and "Tibet". If matters have improved, in is only by comparison to the years of the Cultural Revolution

and the Great Leap Forward.

Sorman argues that the West, in not taking a harder line with China's government for its predations, has valued "trade over human rights". All of this, he contends, renders comparisons of China's growth with that of India virtually meaningless, for a narrowly quantitative analysis does not reflect "non-economic values which matter like democracy, freedom of religion and respect for life".

"The Party has created a labour market not tempered by law, dissent, or collective bargaining," argues Sorman. "Economists had envisaged such a scenario only on paper. Chinese leaders have shown the classical economists were right: the less hampered the labour market, the greater the growth. But economists never had the kind of unlimited power the leaders of China enjoy." When, in addition to a precarious legal system and an absence of property rights, one factors in political uncertainty and a looming energy

Review

The Year of the Rooster

by Guy Sorman
Full Circle (New Delhi), 2007

crisis, it is hard to believe that China will really become the world's new superpower.

As Gurcharan Das, the author of *India Unbound*, writes in his foreword to Sorman's book, he was himself a believer in "the myth of contemporary China". That belief seems to be shared by a section of India's political class: witness Maharashtra Chief Minister Vilasrao Deshmukh's ambition, later repeated by Manmohan Singh, of turning Mumbai into "another Shanghai". But Sorman's visit to Shanghai reveals

nothing but "a façade of modernity", a soulless centrally-planned city of glitzy appearances but poor sanitation, no freedom of speech, and an insipid cultural life. Most readers of Sorman's sobering book would take Mumbai over Shanghai any day.

Chandrabhas Choudhury is a freelance writer based in Mumbai. Courtesy: Mint (www.livemint.com)

BOOK REVIEW

Preserving identity

JAI ARJUN SINGH

MOHSIN HAMID'S powerful novella *The Reluctant Fundamentalist* is the story of a man who is surprised by the intensity of his reactions when he perceives a threat to his cultural identity. Changez is a young Pakistani who graduates from Princeton University and then gets a job working as a "fundamentalist" at a prestigious valuation firm named Underwood Samson. The company shares more than its initials with the United States: from the moment Changez begins working there, and living in New York, he feels like he is part of a great melting pot. When he first speaks of this, while describing a "new-hire induction" celebration, there is a mixture of pleasure and unease in his tone – happiness at being accepted combined with apprehension about the subsuming of his individuality. Even as he and his colleagues toast each other, something inside him rallies against being homogenised, and it's interesting that he expresses this in military terms.

I looked around as we raised our glasses in a toast to ourselves. Two of my five colleagues were women; Wainwright and I were non-white. We were marvelously diverse...and yet we were not: all of us, Sherman included, hailed from the same elite universities – Harvard, Princeton, Stanford, Yale; we all exuded a sense of confident self-satisfaction; and not one of us was either short or overweight. It struck me that shorn of hair and dressed in battle fatigues, we would have been virtually indistinguishable.

"Beware the Dark Side, young Skywalker," a colleague tells Changez at the induction party. This is said in jest, but the Star Wars legend of a youngster who betrays his own kind for an evil Empire, in the process losing his soul and

Review

The Reluctant Fundamentalist

by Mohsin Hamid
Harcourt, 192 pages, 2007

turning into a mechanical man, will uncomfortably resonate with Changez's own integration into American life. Later in the narrative, he will hear about the janissaries, "the Christian boys who were captured and trained to be soldiers in a Muslim army, at that time the greatest army in the

world...they had fought to erase their own civilisations, so they had nothing else to turn to". These analogies will tap into his deep-rooted fears: the fear of contributing to the wealth-generation of the most powerful empire in the world even while his own country languishes in poverty and he feels like a stranger on each successive visit to Lahore. The fear of a shrinking "global world" where "global" is defined in terms of the US model. The fear of becoming, inadvertently, a foot-soldier in America's march of progress.

It's important to note that Changez doesn't hail from a very orthodox background. His family is part of Lahore's old rich, now struggling to keep up with the times, and most of them, the women included, are working professionals. And nothing in Changez's own attitude suggests the sort of conservatism that might lead to a reflexive hitting out against the Western way of life: he has an easygoing relationship with his colleagues and friends in New York, he has "experienced all the intimacies college students commonly experience", and American pop-culture references come naturally to him, as they do to most urban youngsters around the world. Significantly, though Changez relishes the symbolism of the 9/11 attacks and the way they brought a mighty power to its knees, he admits to being moved by the deaths of beloved characters on American TV shows.

And yet this young man, who would certainly at some point have thought of himself as a citizen of the world, unconfined by narrow domestic walls, slowly becomes defensive about his identity. Early on, he has already been discomfited by little things: watching his colleagues part with large sums of money, for instance, reminds him of the poverty in his country, and on a business trip to Manila he is mortified to discover that even this (Eastern) city is so much wealthier than Lahore: "I felt like a distance runner who thinks he is not doing too badly until he glances over his shoulder and sees that the fellow who is lapping him is not the leader of the pack but one of the laggards." But after the 9/11 attacks and the racial profiling that accompanies it, he becomes ever more conscious of the need to define himself, and this leads to disaffection with his adopted country.

Changez's dilemmas are complicated by his feelings for a girl named Erica, a fellow Princetonian; they become close but she is haunted by her memories of a deceased boyfriend, and an awkward lovemaking scene shows us that Changez's relationship with her mirrors his relationship with the US – he can possess her only by pretending to be someone he is not, by relinquishing his own sense of self. However, Hamid is too sensitive a writer to use the relationship as a mere symbol—it gives us crucial insights into

Changez's character in emotional rather than ethnic terms. There is more than one indication that if this relationship had worked out it would have been easier for him to resolve his other conflicts.

But this is not to be, which is why we get Changez's story in the first person a few years after he left the US for good and returned to Pakistan. In a charming narrative device he doesn't directly address us; instead he's talking to an American tourist whom he encounters one evening in Lahore and has a long conversation with over tea and dinner (we never hear the tourist's voice, only Changez's). His general tone is deferential and hospitable, but there are traces of bitterness, even sarcasm, when he speaks of America. And though Hamid ends the book on an ambiguous note, refusing to divulge the extent to which Changez has traded one fundamentalism for another, we understand how an unbridgeable divide, an atmosphere of mutual distrust, can be created between cultures. That the protagonist here is a "normal" young man, easy to identify with (and not the fundamentalist suggested by the menacing close-ups on the book's cover and its green-and-white colour scheme), makes this understanding even more potent.

Jai Arjun Singh is a journalist based in New Delhi

More online

Contributors' websites and blogs

Vikram Nandwani	http://pointblank2006.blogspot.com
Dweep Chanana	http://www.planetd.org
Joshua Foust	http://www.registan.net
Mihir Shah	http://elmihiro.blogspot.com
Chandahas Choudhury	http://middlestage.blogspot.com
Jai Arjun Singh	http://jaiarjun.blogspot.com

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